



(BILLING CODE 3510-P)

DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-933]

Frontseating Service Valves from the People's Republic of China; Final Results of Antidumping Duty Administrative Review; 2011-2012

AGENCY: Enforcement and Compliance, formerly Import Administration, International Trade Administration, Department of Commerce

SUMMARY: On May 13, 2013, the Department of Commerce (“the Department”) published the preliminary results of the administrative review of the antidumping duty on frontseating service valves from the People's Republic of China.<sup>1</sup> The period of review (“POR”) is April 1, 2011, through March 31, 2012. The review covers two exporters of subject merchandise, Zhejiang DunAn Hetian Metal Co., Ltd. (“DunAn”) and Zhejiang Sanhua Co., Ltd. (“Sanhua”). The Department continues to find that DunAn did not have reviewable entries during the POR. Additionally, we find that Sanhua made sales in the United States at prices below normal value (“NV”). Based on our analysis of the comments received, we have made changes to our margin calculations for Sanhua. The final weighted-average dumping margin for this review is listed below in the section entitled “Final Results of the Review.”

EFFECTIVE DATE: [insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Laurel LaCivita, AD/CVD Operations, Office III, Enforcement and Compliance, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4243.

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<sup>1</sup> See *Frontseating Service Valves From the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review; 2011–2012*, 78 FR 27954 (May 13, 2013) (“*Preliminary Results*”).

## Background

On May 13, 2013, the Department published the *Preliminary Results*. At that time, we invited interested parties to comment on our *Preliminary Results*.

Subsequent to the *Preliminary Results*, we conducted a verification of Sanhua's questionnaire responses in Xialiquan Village, Zhejiang Province, People's Republic of China from August 5 through August 9, 2013.<sup>2</sup>

We received case briefs from Parker-Hannifin Corporation ("Petitioner") and Sanhua on October 17, 2013,<sup>3</sup> and rebuttal briefs from the same parties on October 23, 2013.<sup>4</sup> At Sanhua's request, we held a hearing on October 29, 2013.<sup>5</sup>

## Scope of the Order

The merchandise covered by this order is frontseating service valves, assembled or unassembled, complete or incomplete, and certain parts thereof. Frontseating service valves are classified under subheading 8481.80.1095, and also have been classified under subheading 8415.90.80.85, of the Harmonized Tariff Schedule of the United States ("HTSUS"). It is possible for frontseating service valves to be manufactured out of primary materials other than copper and brass, in which case they would be classified under HTSUS subheadings 8481.80.3040, 8481.80.3090, or 8481.80.5090. In addition, if unassembled or incomplete frontseating service valves are imported, the various parts or components would be classified

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<sup>2</sup> See Memorandum to Melissa Skinner, "2011-2012 Administrative Review of the Antidumping Duty Order on Frontseating Service Valves ("FSVs") from the People's Republic of China ("PRC"): Verification of Zhejiang Sanhua Co., Ltd.," dated September 23, 2013.

<sup>3</sup> See letter from Petitioner, "Frontseating Service Valves from the People's Republic of China; A-570-933; Petitioner's Case Brief," dated October 17, 2013; see also letter from Sanhua, "Frontseating Service Valves from the People's Republic of China; A-570-933; Case Brief by Zhejiang Sanhua Co., Ltd.," dated October 17, 2013.

<sup>4</sup> See letter from Petitioner, "Frontseating Service Valves from the People's Republic of China; A-570-933; Petitioner's Rebuttal Case Brief," dated October 23, 2013; see also letter from Sanhua, "Frontseating Service Valves from the People's Republic of China; A-570-933; Rebuttal Brief of Zhejiang Sanhua Co., Ltd.," dated October 23, 2013.

<sup>5</sup> See hearing transcript, "In the Matter of the Antidumping Duty Order on Frontseating Service Valves ("FSVs") from the PRC (A-570-933) (4/1/2011-3/31/2012)," filed November 6, 2013; see also Frontseating Service Valves from the People's Republic of China; A-570-933; Request for a Hearing by Zhejiang Sanhua Co., Ltd..

under HTSUS subheadings 8481.90.1000, 8481.90.3000, or 8481.90.5000. The HTSUS subheadings are provided for convenience and customs purposes. A full written description of the scope of the order is contained in the memorandum from Edward C. Yang, Office Director, Office VII, Antidumping and Countervailing Duty Operations, to Ronald K. Lorentzen, Acting Assistant Secretary for Enforcement and Compliance, “Frontseating Service Valves from the People’s Republic of China: Issues and Decision Memorandum for the Final Results of the 2011-2012 Administrative Review” (“Issues and Decision Memorandum”), which is hereby adopted by this notice and incorporated herein by reference. The written description is dispositive.

#### Final Determination of No Reviewable Entries

As noted in the *Preliminary Results*, we received a no-shipment certification from DunAn.<sup>6</sup> The company reported that it made no shipments of subject merchandise to the United States during the POR. U.S. Customs and Border Protection (“CBP”) confirmed that it did not identify evidence of shipments from DunAn. Following publication of the *Preliminary Results*, we received no comments from interested parties regarding DunAn. As a consequence, and because the record contains no evidence to the contrary, we continue to find that DunAn did not make reviewable entries during the POR. Accordingly, consistent with the Department’s refinement to its assessment practice in nonmarket economy (“NME”) cases, the Department finds that it is appropriate not to rescind the review in these circumstances, but rather to complete the review with respect to DunAn and issue appropriate instructions to CBP based on the final results of the review.<sup>7</sup>

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<sup>6</sup> See *Preliminary Results*, 78 FR at 27954.

<sup>7</sup> See *Non-Market Economy Antidumping Proceedings: Assessment of Antidumping Duties*, 76 FR 65694 (October 24, 2011) (“*NME Antidumping Proceedings*”).

### Analysis of Comments Received

All issues raised in the case and rebuttal briefs filed by parties in this review are addressed in the Issues and Decision Memorandum. A list of the issues that parties raised and to which we responded in the Issues and Decision Memorandum follows as an appendix to this notice. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System ("IA ACCESS"). IA ACCESS is available to registered users at <http://iaaccess.trade.gov> and in the Central Records Unit, room 7046 of the main Department of Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly on the internet at <http://www.trade.gov/enforcement/>. The signed Issues and Decision Memorandum and the electronic version of the Issues and Decision Memorandum are identical in content.

### Changes since the Preliminary Results

Based on an analysis of the comments received from interested parties and a review of the record, the Department has made the following changes in the margin calculation:

- We revised Sanhua's reported control number ("CONNUM")-specific factors of production ("FOPs"), where applicable, to include the FOPs of previously excluded products. *See* Comment 2 of the accompanying Issues and Decision Memorandum.
- We revised Sanhua's brass and copper scrap offsets to reflect the yield losses attributable only to those components produced using brass and copper inputs based on the products examined at verification. *See* Comment 4 of the accompanying Issues and Decision Memorandum.
- We based the surrogate value for brass scrap on the GTA data from the Philippines, as adjusted for inflation. *See* Comment 7 of the accompanying Issues and Decision Memorandum.
- We determined the surrogate financial ratios in this review using only the financial statements of Makati Foundry Inc. *See* Comment 8 of the accompanying Issues and Decision Memorandum.

- We based the calculation of the margin program on Sanhua’s FOP dataset, FOP02. *See* Comment 10 of the accompanying Issues and Decision Memorandum.
- We revised the calculation of brokerage and handling to reflect the per-unit SV for brokerage and handling on the per-unit costs identified in *Doing Business 2013, Economy Profile: Philippines* without making adjustments for container size. *See* Comment 11 of the accompanying Issues and Decision Memorandum.

#### Final Results of the Review

As a result of this review, we determine that the following weighted-average dumping margin exists for the period April 1, 2011, through March 31, 2012:

Exporter	Weighted-Average Margin (percentage)
Zhejiang Sanhua Co., Ltd.	3.88%

#### Disclosure

We intend to disclose the calculations performed within five days of the date of publication of this notice to parties in this proceeding in accordance with 19 CFR 351.224(b).

#### Assessment Rates

The Department shall determine, and CBP shall assess, antidumping duties on all appropriate entries covered by this review pursuant to section 751(a)(2)(C) of the Tariff Act of 1930, as Amended (“the Act”) and 19 CFR 351.212(b).<sup>8</sup> The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by the final results of this review and for future deposits of estimated duties, where applicable. The Department intends to issue assessment instructions to CBP 15 days after the date of publication of these final results of review.

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<sup>8</sup> *See Antidumping Proceeding: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Duty Proceedings; Final Modification*, 77 FR 8103 (February 14, 2012).

We will instruct CBP to assess antidumping duties on all appropriate entries covered by this review for each individual assessment rate calculated in the final results of this review that is above *de minimis* (*i.e.*, at or above 0.50 percent). Pursuant to 19 CFR 351.106(c)(2), we will instruct CBP to liquidate without regard to antidumping duties any entries for which the assessment rate is *de minimis* (*i.e.*, less than 0.50 percent).

The Department recently announced a refinement to its assessment practice in NME cases. Pursuant to this refinement in practice, for entries that were not reported in the U.S. sales databases submitted by companies individually examined during this review, the Department will instruct CBP to liquidate such entries at the NME-wide rate. In addition, if the Department determines that an exporter under review had no shipments of subject merchandise, any suspended entries that entered under that exporter's case number (*i.e.*, at that exporter's rate) will be liquidated at the NME-wide rate. For a full discussion of this practice, *see NME Antidumping Proceedings*.

#### Cash Deposit Requirements

The following cash deposit requirements will be effective for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(2)(C) of the Act: (1) for DunAn, which claimed no shipments, the cash deposit rate will remain unchanged from the rate assigned to DunAn in the most recently-completed review of the company; (2) for Sanhua, the cash deposit rate will be the rate identified in "Final Results of the Review," as listed above; (3) for previously investigated or reviewed PRC and non-PRC exporters that are not under review in this segment of the proceeding but that received a separate rate in a previous segment, the cash deposit rate will continue to be the exporter-specific rate published for the

most recent period; (4) for all PRC exporters of subject merchandise which have not been found to be entitled to a separate rate, the cash deposit rate will continue to be the PRC-wide rate of 55.62 percent;<sup>9</sup> and (5) for all non-PRC exporters of subject merchandise which have not received their own rate, the cash deposit rate will be the rate applicable to the PRC exporter(s) that supplied that non-PRC exporter. The cash deposit requirements, when imposed, shall remain in effect until further notice.

#### Notification to Importers

This notice also serves as a final reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of the antidumping duties occurred and the subsequent assessment of double antidumping duties.

#### Notification to Interested Parties

In accordance with 19 CFR 351.305(a)(3), this notice serves as a reminder to parties subject to administrative protective order ("APO") of their responsibility concerning the disposition of proprietary information disclosed under the APO. Timely written notification of the return or destruction of APO materials, or conversion to judicial protective order, is hereby requested. Failure to comply with the regulations and terms of an APO is a sanctionable violation.

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<sup>9</sup> This rate was established in the final results of the original less than fair value investigation. *See Frontseating Service Valves from the People's Republic of China: Final Determination of Sales at Less Than Fair Value and Final Negative Determination of Critical Circumstances*, 74 FR 10886 (March 13, 2009).

These final results of review and notice are published in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

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Ronald K. Lorentzen  
Acting Assistant Secretary  
for Enforcement and Compliance

Dated: November 29, 2013.



## APPENDIX

### Issues for the Final Results

- Comment 1: Adverse Facts Available
- Comment 2: Excluded Products
- Comment 3: Brass and Copper Consumption
- Comment 4: Brass and Copper Scrap
- Comment 5: Reported FOPs and Finished FSV Weights
- Comment 6: Surrogate Country
- Comment 7: Surrogate Value for Brass Scrap
- Comment 8: Selection of the Surrogate Financial Statements
- Comment 9: *Ex Parte* Meetings
- Comment 10: Use of the Correct Data Set
- Comment 11: Brokerage and Handling Calculations

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